



SOCIAL SECURITY

MEMORANDUM

Date: December 17, 2003

Refer To:

To: The Commissioner

From: Inspector General

Subject: Management Advisory Report – The Social Security Administration’s Procedures for Enumerating Foreign Students (A-05-03-23056)

The attached final Management Advisory Report presents the results of our review. Our objective was to evaluate the Social Security Administration’s (SSA) policies and procedures for enumerating foreign students. As part of this work, we also reviewed the policies and practices of educational institutions, the Department of Homeland Security and the Department of State since they impact on the integrity of SSA’s process for enumerating foreign students.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr.".

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY
ADMINISTRATION'S PROCEDURES
FOR ENUMERATING
FOREIGN STUDENTS**

December 2003

A-05-03-23056

**MANAGEMENT
ADVISORY REPORT**



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
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Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

Our objective was to evaluate the Social Security Administration's (SSA) policies and procedures for enumerating foreign students. As part of this work, we also reviewed the relevant policies and practices of educational institutions, the Department of Homeland Security (DHS) and the Department of State since they impact on the integrity of SSA's process for enumerating foreign students.

BACKGROUND

Over 500,000 foreign students enrolled at educational institutions in the United States during the 2001-2002 academic year. Given the large number of foreign students who enroll in schools each year, we believe SSA must employ effective controls in its assignment of Social Security numbers (SSN). In this report, we discuss controls over assigning SSNs to foreign students.

RESULTS OF REVIEW

SSA has initiated actions to improve controls over the process of enumerating foreign students. At the same time, DHS has implemented the Student and Exchange Visitor Information System (SEVIS) to provide a means of monitoring students' status. As SEVIS is developed into a database for all foreign students, SSA has an opportunity to work with DHS in developing SEVIS into a reliable control system to ensure students are enrolled and enumerated students are working. SSA should also consider enhancements to its own systems to provide SSN and other pertinent data for its own use and use by other Government agencies as permissible by law. Its systems should provide computerized identification of enumerated foreign students. We visited schools that were providing work authorization letters which were used to enumerate foreign students, but the schools did not document an offer of actual employment. The integrity of the enumeration process would be strengthened if SSA required schools to verify actual employment before issuing letters to students authorizing that they receive SSNs.

CONCLUSION AND RECOMMENDATIONS

Since the events of September 11, 2001, SSA has improved its controls over SSNs and coordinated with other agencies to improve controls over the assignment of SSNs to noncitizens. We believe SSA's use of SEVIS should provide the Agency with more accurate and current information about a student's status than is currently available. SSA needs to continue its coordination with DHS to further enhance SEVIS. SSA also needs to ensure it requires sufficient documentation from foreign students before providing them with SSNs. In addition, SSA should consider enhancements to its own process which can also potentially assist other agencies involved with foreign students with their missions.

AGENCY COMMENTS

SSA generally agreed with our comments and has taken a number of actions to address our concerns. The Agency disagreed with what it believed to be the underlying premise for recommending enhancements to its Modernized Enumeration System (MES).

Subsequent discussions disclosed concerns about using scarce resources and potential legal issues in developing and sharing data with DHS for monitoring foreign students.

OIG RESPONSE

We revised the report in response to SSA's concerns to clarify that MES is a potentially useful data source for information on foreign students. We encourage the Agency to capture additional information relevant to its program responsibilities. See the text after "Conclusions and Recommendations" in this report for a more detailed discussion of SSA's comments and our response. The full text of SSA's comments is included in Appendix E.

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Acronyms

Act	Immigration and Nationality Act
ASVI	Alien Status Verification Index
BCIS	Bureau of Citizenship and Immigration Services
CFR	Code of Federal Regulations
DHS	Department of Homeland Security
DSO	Designated School Official
EOIR	Executive Office for Immigration Review
FO	Field Office
Form DS-2019	Certificate of Eligibility for Exchange Visitor (J-1) Status
Form I-9	Employment Eligibility Verification
Form I-20	Certificate of Eligibility for Nonimmigrant (F-1) Student Status
Form I-94	Arrival-Departure Record
Form SS-5	Application for a Social Security Card
IIE	Institute of International Education
INS	Immigration and Naturalization Service
MES	Modernized Enumeration System
POMS	Program Operations Manual System
SAVE	Systematic Alien Verification for Entitlements
SEVIS	Student and Exchange Visitor Information System
SSA	Social Security Administration
SSN	Social Security Number
State	Department of State
USC	University of Southern California

Introduction

OBJECTIVE

Our objective was to evaluate the Social Security Administration's (SSA) policies and procedures for enumerating foreign students. As part of this work, we also reviewed the relevant policies and practices of educational institutions, the Department of Homeland Security's (DHS) Bureau of Citizenship and Immigration Services (BCIS) (formerly part of the Immigration and Naturalization Service), and the Department of State (State) since they impact on the integrity of SSA's process for enumerating foreign students.

BACKGROUND

Given the heightened threat of terrorism today, failure to protect the Social Security number's (SSN) integrity can have enormous consequences for our Nation and its citizens. Now more than ever, SSA must be particularly cautious in striking a balance between serving the public and SSN integrity. We recognize that increased security measures will impact the time necessary to process SSN applications. However, given the large number of foreign students who enroll in educational institutions in this country each year, we believe SSA must employ effective front-end controls in its enumeration process.¹ In this report, we discuss controls over the enumeration of foreign students.

Over 500,000 foreign students enrolled at educational institutions in the United States during the 2001-2002 academic year. Students coming to the United States to pursue full-time academic or vocational studies are admitted under three nonimmigrant classifications: (1) the F-1, which includes academic students in colleges, universities, seminaries, conservatories, academic high schools, other academic institutions and language training; (2) the M-1, which relates only to vocational students; and (3) the J-1, which covers exchange visitors.² In Appendix A, we provide more information on these visa categories. These three categories account for approximately 1 million of the 32.8 million nonimmigrants admitted to the United States during 2001, or about 3 percent of the total nonimmigrants admitted. Foreign students attending an educational institution in the United States would normally be admitted to the country based on a F-1 or J-1 visa.

Students with the F-1 classification have the authority to work on-campus when they meet certain criteria. BCIS requires the school to ensure the F-1 student is attending school full-time and is in good academic standing. In terms of work requirements, F-1 students may be employed on-campus at the institution where they are enrolled.³ In

¹ SSA refers to the process of assigning SSNs as "enumeration."

² Immigration and Nationality Act § 101(a)(15)(F), (J), and (M); 8 U.S.C. § 1101(a)(15)(F), (J), and (M).

³ Foreign students with the F-1 classification can work on-campus without additional approval from DHS. A student may also be allowed to work off-campus under limited circumstances. For example, an

determining whether to assign a SSN, SSA field office (FO) personnel determine the eligibility for enumeration of the F-1 foreign students by third-party documentation from the school or the on-campus employer.⁴ For example, a foreign student may present a letter from his/her advisor stating the student is authorized to work on-campus. Students with the J-1 classification are required to provide SSA with Form DS-2019, *Certificate of Eligibility for Exchange Visitor (J-1) Status*, indicating their status as an exchange visitor in the United States and an employment letter from their sponsor authorizing them to work.⁵

SCOPE AND METHODOLOGY

We visited 15 educational institutions and 15 FOs to learn more about the foreign student enumeration process. See Appendix B for a listing of the schools visited and number of foreign students enrolled. We met with SSA staff to learn about ongoing initiatives with DHS and State that may impact on the enumeration of foreign students. To accomplish our objective, we performed the following:

- Used the Institute of International Education's (IIE) listing of "Leading Institutions for International Students 2002" to select schools for our review. We believe this database offered a comprehensive collection of foreign student statistics. We did not independently verify the validity of the data within this database, but we did perform some comparisons of IIE data with other available data and concluded the information was reliable for the purposes of this review.
- Reviewed SSA policies and procedures for enumerating foreign students.
- Interviewed SSA FO personnel responsible for enumerating foreign students.
- Interviewed educational institution officials responsible for issuing I-20 forms (*Certificate of Eligibility for Nonimmigrant (F-1) Student Status*) and providing work authorization letters to foreign students.
- Reviewed BCIS and State regulations, policies and procedures for foreign students.

F-1 foreign student must be in F-1 status for at least 1 full academic year and receive Designated School Official (DSO) certification, among other things, before working off-campus. See 8 Code of Federal Regulations (C.F.R.) § 214.2(f)(9)(ii)(D).

⁴ SSA's Program Operations Manual System (POMS) § RM 00203.470.C.1.a.

⁵ SSA's POMS § RM 00203.480.C.1.a and SSA Policy Instruction EM-02103, September 4, 2002 (noting the replacement of Form IAP-66 with Form DS-2019).

Our review was performed during the period November 2002 through October 2003, in Chicago, Illinois, and the 15 university locations in Appendix B. The review was done in accordance with *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency. The SSA entity reviewed was the Office of the Deputy Commissioner for Operations.

Results of Review

In prior Office of the Inspector General reports, we highlighted the vulnerabilities in SSA's enumeration process.⁶ Based on the results of this review, we are concerned about SSA's risk of exposure to improper enumeration of foreign students. We are also concerned that the enumeration system should be capable of more readily recalling the data used to enumerate foreign students. Our review disclosed that SSA does not have a reliable system of control for determining whether a student is enrolled at an educational institution and requires a SSN to perform authorized work. SSA's POMS requires FOs to determine the credibility of documentation from the school or employee authorizing on-campus employment.⁷ We identified instances in which schools provided work authorization letters to students for on-campus employment without an offer of employment. Normally, this authorization is given in the form of a letter from the DSO stating that the student is authorized to work and enrolled in a full-time course of study. Although current SSA procedures and regulations permit enumeration based on work authorization,⁸ the integrity of the SSN could be further strengthened by requiring actual employment for F-1 students.

Moreover, most of the educational institutions included in our interviews did not monitor the off-campus work status of their foreign students, and a new tracking system developed by DHS is not expected to assist with such monitoring. Currently, there are no regulations that require the schools to monitor off-campus employment. BCIS regulations require the F-1 student to request a recommendation from the DSO for off-campus employment due to severe economic hardship.⁹ The DSO at a school not approved for the Student and Exchange Visitor Information System (SEVIS) must make the certification on Form I-538, *Certification by Designated School Official*, and other DSOs must complete such certification in SEVIS.¹⁰ SSA offices should be following SSA instructions when foreign students (F-1, M-1, and J-1 classification) apply for a SSN. The students should have in their possession SEVIS Forms I-20 or DS-2019. However, schools reportedly have encountered difficulties in using SEVIS, resulting in delayed implementation. Nevertheless, SSA policy requires a SEVIS generated certificate to assign a SSN.

⁶ See Appendix C.

⁷ SSA's POMS § RM 00203.470.C.1.a.

⁸ 20 C.F.R. §§ 422.104 and 422.105.

⁹ 8 C.F.R. § 214.2(f)(9)(ii).

¹⁰ *Ibid.*

DETERMINING A STUDENT'S AUTHORIZATION TO WORK

Since the events of September 11, 2001 and in response to the problem of identity fraud, SSA has changed its enumeration process to verify immigration documentation, including the F-1 and J-1 classification student, prior to assigning a SSN. POMS states that the DSO is responsible for the authorization to work. For evidence prior to enumeration, SSA relies on letters from the DSO authorizing the student to work, pay stubs showing the school as the employer, letters from the employer verifying the student's employment, and letters from the DSO stating that the student will receive a scholarship in exchange for teaching services, along with certification that the student is enrolled in a full-time course of study. However, SSA is not required to verify a student is enrolled at a school and employed. Nonetheless, SSA continues to improve controls over the enumeration process and is proposing changes to its enumeration policies to require additional documentation from the schools.

WORK AUTHORIZATION LETTERS FROM SCHOOLS

Our interviews with representatives from 15 educational institutions, altogether enrolling approximately 62,000 foreign students, disclosed that most schools did not require an offer of employment prior to issuing a work authorization letter. Only 4 of the 15 schools (27 percent) stated that employment or an offer of employment was required to receive a letter of employment from the school. The remaining 11 schools provided employment letters to all students based on eligibility for employment. For example, at one university, the SSA Form SS-5, *Application for a Social Security Card*, was provided to each freshman during orientation. Thus, it appeared that enumeration was part of the normal registration process at this school.

One of the 11 schools not requiring an offer of employment, the University of Southern California (USC), recently revised its policy based on recommendations from the local FO. Under its new policy, USC requires that the student have a job offer prior to issuing a work authorization letter to SSA. Until August 21, 2002, a form letter was used for enumeration purposes stating the student was attending the school on a full-time basis and may accept employment at the institution without prior approval from BCIS. While this information was correct, the FO took the position it was insufficient to assign a SSN.

FO PROCEDURES FOR FOREIGN STUDENTS

Our interviews with SSA personnel in 15 FOs that service the schools selected for review documented the process for enumerating foreign students since July 2002, when new procedures were implemented to improve the enumeration process (see Appendix D). While each of the 15 FOs listed the same documentation for enumerating

foreign students,¹¹ we noticed variances in the requirements for employment letters from the schools. Furthermore, we believe that the work authorization and related work status of F-1 students are the most difficult requirements to substantiate. The J-1 students have work authorization directly on their Form DS-2019. On the other hand, the F-1 students receive a letter from the DSO stating that they are full-time students and authorized to work.¹²

A student admitted to the United States based on an F-1 visa and attending school on a full-time basis may accept employment at the institution without specific approval from BCIS.¹³ Current SSA procedures merely allow F-1 students to be enumerated based on an authorization-to-work from the school.¹⁴ However, staff in 8 of the 15 FOs stated, in their opinion, that enumeration should take place only as needed (that is, actual employment). Furthermore, staff in 10 FOs stated that procedures should be clarified and specific guidelines developed. Some FO staff stated that consistent requirements would also prevent students from shopping for a SSN. We believe SSA should propose the regulatory requirement that evidence of actual employment be necessary for foreign students to receive a SSN to reduce this vulnerability in the enumeration process.

SSA EFFORTS TO IMPROVE CONTROLS OVER THE ENUMERATION PROCESS

SSA has taken a number of steps to improve controls over the enumeration process for noncitizens, including foreign students. Most of these efforts were initiated by or were at least partially attributable to the Agency's Enumeration Response Team¹⁵ that was established after September 11, 2001. Besides the collateral verification of immigration documentation already discussed, the following efforts are underway:

- proposing a new regulation which would require additional work authorization documentation from schools prior to enumerating foreign students;

¹¹ For example, each FO was verifying the immigration documents using a DHS program called the Systematic Alien Verification for Entitlements (SAVE). If the verifying information is not available on SAVE, the FO must manually verify the documentation with DHS, a process that can take from a few days to many weeks. If it is determined that the documentation is valid, and the student's status warrants assigning a SSN, this information is entered into SSA's primary SSN database, the Modernized Enumeration System (MES).

¹² SSA's POMS § RM 00203.470.C.1.a and b.

¹³ 8 C.F.R. § 214.2(f)(9)(i).

¹⁴ SSA's POMS § RM 00203.470.C.1.a.

¹⁵ The Team was formerly called the "Enumeration Task Force."

- eliminating driver's licenses as a reason for nonwork SSNs which would eliminate one requirement for foreign students to obtain a SSN;¹⁶
- implementing an Enumeration at Entry program, a joint effort with State and DHS to integrate the SSN application process which could include F-1 students;
- issuing a special numbers series of SSNs to noncitizens enumerated via Enumeration at Entry, which may eventually include F-1 students; and
- developing an inventory of educational institutions that are approved to offer work authorizations to students.

Each of these initiatives is in process and will impact on foreign student enumeration. For example, SSA has proposed a new regulation that will require additional documentation for a SSN assigned for work purposes. Under this proposal, F-1 students would be required to provide documentation from two sources before SSA assigns or verifies a SSN for the student. The student would provide documentation from the school that he or she has been authorized to engage in employment. SSA would not assign a SSN for the student unless the student provides a Form I-20 and confirmation from the designated school official of the nature of the employment and the identification of the employer. The employer documentation would indicate either that the employer made a commitment to hire the student or that the student's employment actually began. The documentation from the employer would also need to identify the employer and provide the student's employment start date.

The above efforts along with SSA's cooperative efforts with the educational institutions have the potential to improve the enumeration process related to noncitizens and, by extension, foreign students. Continued efforts in this area will restrict the assignment of SSNs and provide the FOs with improved documentation to ensure the integrity of the enumeration process.

NEW FEDERAL MONITORING OF FOREIGN STUDENTS

Successful implementation of a new DHS foreign student monitoring program could help improve the integrity of SSA's enumeration of foreign students. SEVIS was developed to maintain accurate and current information on nonimmigrant students (F and M classification), exchange visitors (J classification), and their dependents. SEVIS enables schools and sponsors to transmit electronic information and event notifications to DHS and State throughout a student's or exchange visitor's stay in the

¹⁶ Because of a December 2002 lawsuit, SSA has returned to its previous policy of allowing the issuance of SSN to obtain driver's licenses. (*Iyengar v. Barnhart*, Civ. No. 02-0825, 2002 U.S. Dist. LEXIS 22668 [Nov. 26, 2002]). SSA crafted new regulations regarding the use of nonwork SSNs and forwarded them to the Office of Management and Budget for review and approval. These regulations were approved on October 27, 2003. SSA intends to share the new regulations with the States and eliminate the issuance of SSNs to obtain a driver's license.

United States. SEVIS will also provide systems alerts, event notifications, and basic reports to the end-user schools, programs, and Federal agencies.¹⁷

Once this information is available on SAVE, SSA should be able to use this data to verify a student's entry into the United States and school enrollment status. SSA verifies noncitizen documentation with BCIS using the SAVE system. Foreign student information relative to the enumeration process could be captured from the SEVIS system and transmitted to the SAVE system. However, SEVIS is not currently designed to monitor a student's work activity. Close cooperation with DHS on the implementation of SEVIS would allow SSA to collaborate on future enhancements that could include new data elements such as work authorizing and monitoring changes in work status.

Under SEVIS, each school will be required to input foreign student data and update those records via the website or in a batch mode for large institutions. SEVIS was planned to be in place for all students by January 30, 2003. However, the deadline was extended to February 15, 2003 for new students and August 1, 2003 for those students enrolled already at the schools. The House Committee on Science recently asked the General Accounting Office to gather data on the visa problem based, in part, on the results of a March 26, 2003 hearing. The hearing focused on issues related to foreign students and scholars in science, mathematics, and engineering, particularly graduate students. Academic leaders expressed concern about the backlog of student visas and problems with tracking foreign students. The Committee was told that SEVIS has been plagued with technological problems to include lost information, delays in processing forms, and personal information being missent.

School officials we interviewed stated that their schools are prepared to meet the new DHS requirements under SEVIS. However, the interviews reflect common concerns from the schools that the approval process for SEVIS is inadequate, access to multiple users overloads SEVIS, and DHS has not implemented batch processing. Five of the schools were still waiting for SEVIS approval or authorization. Another five schools were waiting for DHS to implement batch processing. These schools require batch processing because of the large numbers of foreign students enrolled. Only 2 of the 15 schools were successful with SEVIS input for the August and September 2002 enrollees. This is further evidence that SSA needs to work closely with DHS on modifications to the system to enhance its capabilities and facilitate the enumeration process.

¹⁷ SEVIS is designed to notify schools when the foreign student has arrived in the United States and also invalidate extraneous Forms I-20. The foreign student must arrive and register at the school within 30 days of the registration deadline. If the foreign student does not register within this period, the school is expected to report this in SEVIS so that DHS enforcement offices can be notified. Furthermore, SEVIS requires the schools to report the status of the students (full-time or part-time) and any subsequent changes in the status. The students are responsible for notifying the school of their address and the school reports to DHS. Federal law enforcement and intelligence community have access to SEVIS data.

CONTINUED MONITORING OF FOREIGN STUDENTS

While officials at 9 of the 15 educational institutions we visited said they performed some form of monitoring of on-campus employment, none of the schools monitor students' off-campus work activity. When we mentioned this to SSA, an official told us that F-1 students are not likely to work off-campus without DHS authorization since the SSN card has a label that reads "VALID FOR WORK ONLY WITH INS DOCUMENTATION." Each employer is responsible for the completion of the BCIS Form I-9, *Employment Eligibility Verification*. BCIS instructions state the employer must review documentation presented by the job applicant establishing both identity and work authorization. BCIS provides a list of acceptable documents that includes the Social Security card. The employer must examine the documents, record document information on the form, and certify the process on the form. The aforementioned label is intended to alert employers to ask for BCIS documentation when the individual uses the card for employment purposes. As a result, employers hiring a foreign student would need to see this work authorization as part of the hiring process, which includes completion of a BCIS Form I-9.¹⁸

Nonetheless, as we noted in an earlier audit,¹⁹ almost 600,000 noncitizens appear to be working without authorization under a nonwork SSN annually. For example, in Tax Year 2000, SSA reported to Immigration and Naturalization Service that earnings were reported for 599,097 nonwork SSNs. Implementation of such a reporting system may also be appropriate for foreign students working without the required authorization. We continue to maintain that relying on the employer as a control is insufficient to prevent unauthorized employment.

Under SSA's current noncitizen enumeration process, procedures require FO staff to record information related to the immigration documents they review, such as the admission number on the I-94, *Arrival-Departure Record*, the type of visa presented, and the SAVE verification number.²⁰ However, this information is recorded in a "remarks" section rather than being recorded in the Modernized Enumeration System (MES) as separate data elements. A more detailed classification of this data would allow SSA to:

- computerize the data received from each foreign student during the enumeration process to ensure that adequate documentation is received prior to issuing a SSN and to facilitate access to this information as needed by SSA;

¹⁸ Presently, up to 29 documents issued by various Federal, State, and local awarding agencies are valid for completing the Form I-9. The variety of acceptable identification may discourage employers from verifying these documents. Acceptable records include (1) DHS identity and work authorization documents; (2) U.S. passports; (3) SSN cards; (4) State and local Government records; and (5) records from schools, medical facilities, and the military.

¹⁹ *Congressional Response Report: Social Security Administration Benefits Related to Unauthorized Work (A-03-03-23053)*, March 2003.

²⁰ SSA Policy Instruction EM-02086, July 12, 2002.

- link earnings data for individuals by the nonimmigrant classification;
- integrate earnings data with MES to identify questionable earnings, such as excessive amounts or notable changes in earnings that can be traced to the foreign student classification; and
- maintain a better system for managing information on the (1) documentation reviewed by SSA employees prior to assigning a SSN, (2) time frames when work is authorized, and (3) characteristics of noncitizens being enumerated, such as their classification.

A more comprehensive classification and analysis of noncitizen data would assist management in monitoring the enumeration process. SSA could focus on high-risk situations that require additional verification steps to be taken.²¹

²¹ The lack of such management information limited our ability during this review to determine the number of foreign students already enumerated by SSA and the characteristics of these students.

Conclusions and Recommendations

Since the events of September 11, 2001, SSA has improved its controls over SSNs and coordinated with other agencies to improve controls over the enumeration of noncitizens. We believe the introduction of SEVIS into the enumeration process and SSA access should provide the Agency with more accurate and current information about a student's status than is currently available. Although this new system is unlikely to assist SSA with its verification of a student's employment status in the near future, continued coordination with DHS should lead to further enhancements. In the interim, SSA needs to ensure it requires sufficient documentation from foreign students before providing them with SSNs. In addition, since SSA may have information in its possession that can assist other agencies with their mission, the Agency should consider enhancements to its own process.

We recommend SSA:

1. Evaluate and revise the current system to improve the retention and accessibility of data used in the enumeration process. Specifically, the MES record should provide unique data fields (for example, I-94 number and visa type) to facilitate computerized access and use of the information accumulated during the enumeration of foreign students.
2. Continue to work closely with DHS to enhance SEVIS and transmit key data to the SAVE system to assist SSA in its documentation and verification of data used to enumerate foreign students.
3. Continue to work closely with educational institutions to ensure they understand SSA policies and procedures established to reduce the risks of improperly enumerating foreign students.
4. Propose the regulatory requirement that evidence of actual employment be necessary for foreign students to receive a SSN. Implement new guidelines for improving evidence requirements, such as a letter from the actual department employing the student. We believe this document should include, at a minimum, a position description, start date, and the number of hours the student is expected to work.

AGENCY COMMENTS

SSA generally concurred with our recommendations. A number of actions have been taken that address much of what this report recommends. However, regarding Recommendation 1, the Agency disagreed, in principle, with what it believes to be the underlying premise of the recommendation – the need for SSA to collect additional data on foreign students beyond its program responsibilities. Subsequent discussions with Agency personnel disclosed concerns about using its scarce resources to carry out a mission that SSA neither has the responsibility nor the funding to fulfill. The Agency also raised potential legal concerns in sharing such data with DHS. SSA added that the monitoring of student activities was a DHS responsibility and SEVIS was established for that purpose. Nonetheless, the Agency agreed to continue considering the inclusion of additional data elements in MES based on its program needs. The full text of SSA's comments is included in Appendix E.

OIG RESPONSE

To emphasize our desire to have SSA capture student data that is useful to SSA's programs, we revised the report to clarify that MES is a potentially useful data source for information on foreign students. Although SSA disagreed with the basis of Recommendation 1, we believe the Agency's efforts to add data elements into MES demonstrate its agreement with the intent of our recommendation. We believe that adding elements to MES would allow the Agency to capture additional student data that would benefit SSA programs. We also encourage SSA to consider the potential development of such data during its ongoing discussions regarding data sharing with DHS, as well as other Federal agencies. As part of implementation of Recommendation 1, Agency counsel should be consulted to determine the legality of obtaining additional information from foreign students during SSA's enumeration process. Further, counsel should also be consulted to determine the legal parameters and limitations that will govern any sharing of information with other Federal agencies. We are providing a copy of this report to the Inspector General, DHS, as a possible catalyst for such discussions.

Appendices

Background on Foreign Students and Classification Requirements

In the sections below, we provide additional information on (1) the number of foreign students entering the United States and their country of origin and (2) a description of the various classifications used by foreign students entering the United States.

Country of Origin

The top 10 countries of origin for foreign students represent 305,095 of the 547,867 foreign students (56 percent) in the United States during the 2000/2001 school year. See the table below for more information on these 10 countries.

**Top 10 Countries of Origin for Foreign Students
Studying in the United States**

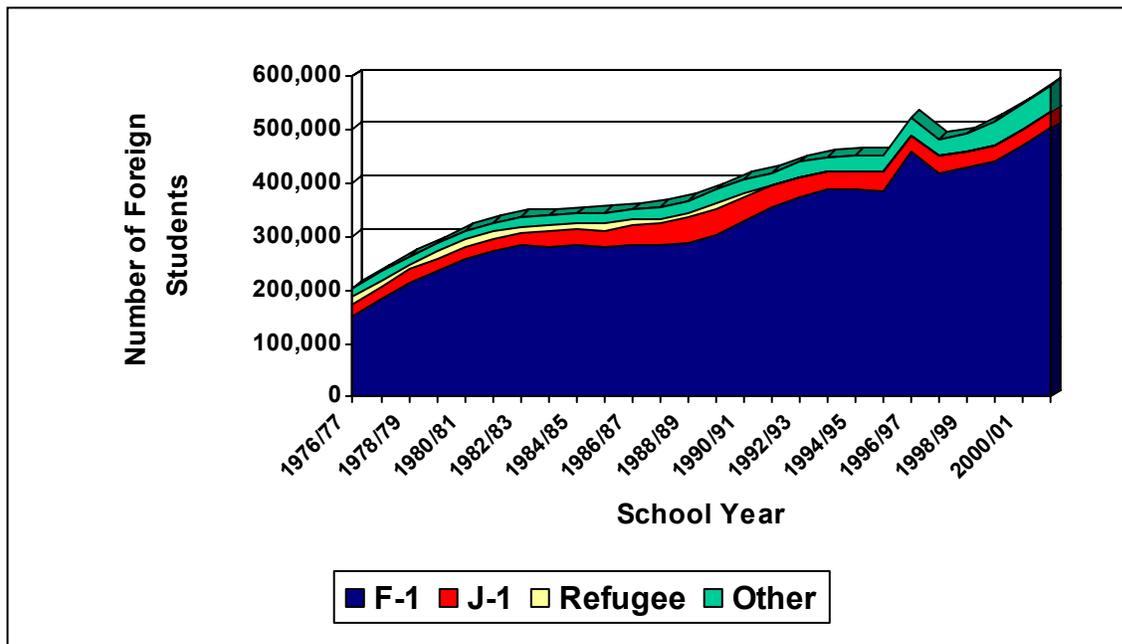
Country	2000/2001 School Year	Percent of Top 10 Total
China	59,939	19.6
India	54,664	17.9
Japan	46,497	15.2
Republic of Korea	45,685	15.0
Taiwan	28,566	9.4
Canada	25,279	8.3
Indonesia	11,625	3.8
Thailand	11,187	3.7
Turkey	10,983	3.6
Mexico	10,670	3.5
Total	305,095	100.0

Source: Institute of International Education website <http://www.iie.org>, Open Doors 2001 Report on International Education Exchange, International Student Totals by Leading Place of Origin.

Classification Descriptions

Students who are coming to the United States to pursue full-time academic or vocational studies are admitted in one of two nonimmigrant classifications: (1) the F-1 category, which includes academic students in colleges, universities, seminaries, conservatories, academic high schools, other academic institutions and language training and (2) the M-1 category, which relates to vocational students. The J-1 category for Exchange Aliens (or Exchange Visitors) can also be used by foreign students. See the following figure for the distribution of visas issued to foreign students since the 1976/1977 school year.

Foreign Students Attending United States' Schools by Classification (1976-2001)



Source: U.S. Citizenship and Immigration Services website: <http://uscis.gov>, Table 37, Nonimmigrants Admitted by Class of Admission Selected Fiscal Years.

Academic Students (F-1) and Vocational Students (M-1) Requirements

The Immigration and Nationality Act (Act), provides two nonimmigrant classifications for persons wishing to study in the United States.¹ The "F" classification is reserved for nonimmigrants wishing to pursue academic studies and/or language training programs. The "M" classification is reserved for nonimmigrants wishing to pursue nonacademic or vocational studies. Foreign students seeking to study in the United States may be admitted under the F-1 or M-1 category provided they meet the following criteria.

- The student must be enrolled in an academic educational program, a language-training program, or a vocational program.
- The school must be approved by Department of Homeland Security.
- The student must be enrolled as a full-time student at the institution.
- The student must be proficient in English or be enrolled in courses leading to English proficiency.
- The student must have sufficient funds available for self-support during the entire proposed course of study.

¹ 8 U.S.C. § 1101(a)(15)(F)(i) and (M)(i).

- The student must maintain a residence abroad which he or she has no intention of giving up.

Exchange Visitors (J-1) Classification

The Act (Section 214.2(j)) also provides a nonimmigrant classification for persons to participate in exchange visitor programs in the United States which at times is used by foreign students.² The "J" classification is for educational and cultural exchange programs designated by the Department of State, Bureau of Consular Affairs.

The "J" exchange visitor program is designed to promote the interchange of persons, knowledge, and skills in the fields of education, arts, and sciences. Participants include:

- students at all academic levels;
- trainees obtaining on-the-job training with firms, institutions, and agencies;
- teachers of primary, secondary, and specialized schools;
- professors coming to teach or do research at institutions of higher learning;
- research scholars;
- professional trainees in the medical and allied fields; and
- international visitors coming for the purpose of traveling, observing, consulting, conducting research, training, sharing, demonstrating specialized knowledge or skills, or participating in organized people-to-people programs.

² 8 U.S.C. § 1001(a)(15)(J).

Educational Institutions Visited

We visited 15 educational institutions that enrolled 61,760 foreign students. The table below shows the names and locations of these universities, as well as their total student and foreign student enrollments. Also shown is the nationwide ranking for each institution based on numbers of foreign students.

Schools Visited (2000/2001 School Year)

Rank	School	Location	Foreign Students	Total Students	Percent Foreign
1	New York University	New York, New York	5,399	37,149	14.5%
2	University of Southern California	Los Angeles, California	5,321	28,766	18.5
3	Columbia University	New York, New York	4,837	22,425	21.6
4	Purdue University	West Lafayette, Indiana	4,469	37,762	11.8
5	Boston University	Boston, Massachusetts	4,443	28,325	15.7
6	University of Texas at Austin	Austin, Texas	4,320	49,009	8.8
7	Ohio State University	Columbus, Ohio	4,035	47,952	8.4
8	University of Michigan – Ann Arbor	Ann Arbor, Michigan	4,004	38,103	10.5
9	University of Wisconsin	Madison, Wisconsin	3,938	41,050	9.6
11	University of Illinois	Champaign, Illinois	3,798	36,936	10.3
12	Florida International University	Miami, Florida	3,603	32,196	11.2
13	Texas A&M University	College Station, Texas	3,587	44,026	8.1
14	University of Pennsylvania	Philadelphia, Pennsylvania	3,487	17,854	19.5
15	University of Maryland	College Park, Maryland	3,480	33,189	10.5
23	University of Florida	Gainesville, Florida	3,039	45,133	6.7
Total			61,760	539,875	11.4

Source: Institute of International Education website: <http://www.iie.org>, Open Doors 2001 Report on International Education, Where They Study 2000/01.

Prior Office of the Inspector General Reports

Office of the Inspector General Reports Related to Integrity of the Social Security Number		
Common Identification Number	Report Title	Date Report Issued
A-08-02-12056	The Social Security Administration Continues Assigning Original Social Security Numbers to Foreign-Born Individuals Who Present Invalid Evidentiary Documents	August 2002
A-03-02-22078	Congressional Response Report: Noncitizen Enumeration at the Social Security Administration's Rochester, Minnesota Field Office	June 2002
A-08-02-22077	Social Security Number Integrity: An Important Link in Homeland Security	May 2002
A-08-98-41009	Procedures for Verifying Evidentiary Documents Submitted with Original Social Security Number Applications	September 2000

Enumeration Process

In Fiscal Year 2002, the Social Security Administration (SSA) issued over 18 million original and replacement Social Security number (SSN) cards. Approximately 1.5 million of the original SSNs were assigned to noncitizens. When SSA assigns a SSN or issues a Social Security card, it independently verifies the authenticity of the United States birth records for applicants age one and over, immigration records, and other identification documents the applicant presented to ensure the integrity of the process.

How SSA Assigns Original SSNs

When an individual applies for an original SSN, he or she must first complete, sign and submit a Form SS-5, *Application for a Social Security Card*, to a SSA field office (FO). SSA requires the applicant to provide acceptable documentary evidence of (1) age, (2) *identity*, and (3) U.S. citizenship or lawful alien status. Upon submission, the FO employee enters applicant information and a description of the evidence presented into the Modernized Enumeration System (MES).

If, after reviewing the application and supporting evidentiary documentation and independently verifying the documents with the issuing Agency, the FO employee believes the documents and information are valid, he or she certifies the application for overnight validation. Once entered and certified in MES, the SSN application undergoes automated edits. For example, SSA's programs compare the applicant's name and date of birth with existing SSN records to ensure the Agency has not previously assigned a SSN to the individual. If the application passes all of these edits, MES issues a SSN card.

Evidentiary Documents Submitted

Evidence of Age: To verify a United States citizen's age, SSA requests a birth certificate issued by State or local vital statistics agencies. The United States birth certificate needs to be established before the applicant reached 5 years of age. Common examples of documents used to establish a noncitizen's age are a foreign birth certificate, passport, or Department of Homeland Security (DHS) record.

Evidence of Identity: An identity document submitted as evidence must be recently issued and provide information so FO personnel can compare its contents with Form SS-5 data and/or with the applicant's physical appearance. Acceptable identity documents are drivers' licenses, passports, school identification cards, marriage or divorce certificates, or military records. For foreign-born applicants, SSA accepts as evidence of identity a DHS document submitted as evidence of age only if the applicant

has no other document of probative value for identity and is a refugee, parolee, or asylum applicant.

Evidence of Work Authorized or Lawful Alien Status: Applicants who allege a foreign place of birth and/or who are not U.S. citizens must submit evidence supporting either lawful alien status and/or the BCIS-granted work authorization. The Bureau of Citizenship and Immigration Services (BCIS) issues numerous documents that indicate the status and class of aliens. For example, the Form I-551, *Permanent Resident Card*, establishes the alien as lawfully admitted for permanent residence, which is evidence of work authorization.

An example of DHS documents issued to support the lawful alien status for a F-1 student are the Form I-94, *Arrival/Departure Record*. Also, DHS issues documents acceptable as evidence of employment authorization. Some examples of documents that establish work authorization for non-immigrants are the Form I-94 that has the alien's classification displayed; the "employment authorization" is shown on a Form I-94 for a refugee; the Designated School Official (DSO) annotation on the Form I-20 for certain F-1 students; or the DHS *Employment Authorization Document*.

Verification of Evidentiary Documentation with DHS

SSA has a number of electronic and paper interfaces with DHS to verify evidentiary documents provided during the application process. The use of a particular DHS process relates to whether an individual is seeking asylum or other nonimmigrant category, or is a refugee, permanent resident alien or parolee. SSA's policies and procedures require that FO staff verify noncitizen evidentiary documentation through visual inspection, including use of a black light where appropriate, and/or with DHS through online or manual verification. Verification of evidentiary documentation with DHS is mandated in all noncitizen cases.¹

Below are definitions of the primary verification interfaces.

Systematic Alien Verification for Entitlements (SAVE): The SAVE program provides a method of document verification within an automated environment. The Alien Status Verification Index (ASVI) database, included as part of SAVE, contains certain biographic information and current status on over 25 million aliens. Each FO must verify immigration documents submitted via the ASVI system. With this database, FO staff can enter an alien's registration number or admission number and determine whether the information alleged by the applicant is valid. If ASVI cannot verify the document, a manual verification is required using the additional processes described below.

¹ SSA Policy Instruction EM-02091, August 2, 2002.

Executive Office for Immigration Review (EOIR): This represents a EOIR, Department of Justice, case. EOIR provides a status telephone line that SSA's FO personnel can use to determine whether an applicant for a SSN has been granted asylum or there is an appeal pending on the particular case. As of April 2001, DHS considers aliens granted asylum to have permanent employment authorization and requests that SSA treat them as permanent resident aliens for enumeration purposes.

Direct DHS Verification: A Form G-845, *Document Verification Request*, is part of the manual verification process required by SAVE. This method is used to validate alien documentation after primary verification, when appropriate, or in those situations when verification through SAVE is not applicable. Procedures instruct DHS to check other data sources and respond to SSA within 20 days of receipt.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

32249-24-960

Date: September 10, 2003

Refer To: S1J-3

To: James G. Huse, Jr.
Inspector General

From: Larry Dye /s/
Chief of Staff

Subject Office of the Inspector General Draft Report, "Controls Over Supplemental Security Income Replacement Checks" (A-05-03-13010)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the recommendations are attached.

Please let us know if we can be of further assistance. Staff questions can be referred to Janet Carbonara at extension 53568.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT MANAGEMENT ADVISORY REPORT “THE SOCIAL SECURITY ADMINISTRATION’S PROCEDURES FOR ENUMERATING FOREIGN STUDENTS” (AUDIT NO. A-05-03-23056)

Thank you for the opportunity to comment on the draft report. We are pleased that OIG found that we have improved our controls over Social Security numbers (SSN) and coordinated with other agencies to improve controls over the enumeration of noncitizens since the events of September 11, 2001. We are pursuing a regulatory change to further tighten the requirements for issuing SSNs to F-1 students. We believe that implementation of the regulation will address much of what the report recommends.

We have made it a priority to work closely with the Department of Homeland Security (DHS) on enumeration issues as we are sure you have. In fact, one of the Social Security Administration’s (SSA) nine major goals is improvement of the enumeration process. However, we have concerns with some sections of the report, especially the several instances where it implies, or states outright, that it is our job to assist other agencies in monitoring foreign students or to maintain a computerized tracking of foreign students. While we have a duty to make sure that only foreign students with legitimate work authorization are enumerated, we do not agree that we should undertake the monitoring of foreign students, which is the exclusive responsibility of DHS. Furthermore, while we agree with the need to include more data from the Student and Exchange Visitor Information System (SEVIS) in the Systematic Alien Verification for Entitlements (SAVE) online system, our job is not to supplant the SEVIS with a tracking device of our own, regardless of documented flaws in the SEVIS system.

Our responses to the specific recommendations are provided below. We are also providing technical comments to enhance the accuracy of the report.

Recommendation 1

SSA should evaluate and revise the current system to improve the retention and sharing of data capabilities. Specifically, the Modernized Enumeration System (MES) record should provide unique data locations to facilitate computerized access and use of information. For example, the Social Security Administration (SSA) should consider data improvements, such as placing expiration dates on foreign student SSN cards. Other improvements include specifying MES data locations to record Form I-20 expiration dates, Form I-94 numbers, and SAVE verification numbers so this information is readily available for monitoring the enumeration process. This information could be shared with DHS if, for example, SSA’s records show questionable earnings.

Response

We do not agree. We are concerned that the recommendation implies that we would be involved in the collection of data not related to enumerating foreign students, the subsequent sharing of that data, and the responsibilities connected to tracking and monitoring foreign students. There is also the potential for Privacy Act violations if we collect data not related to administering our programs and/or disclose the data, such as earnings information, without the proper legal authority. Even if we captured the information at the time of application, we cannot assume the data will remain current.

Regarding the items cited as potential improvements (i.e., specifying MES data locations to record Form I-20 expiration dates, Form I-94 numbers, and SAVE verification numbers), the I-20 shows the date the student is expected to report to the school and the date the studies are to be completed. It also adds the period that is the normal length of study. It does not have an expiration date. Furthermore, F-1 students can change schools and switch to a different course of study with a new date when studies must be completed. If we record the date studies are to be completed on the original I-20, that date would have little or no significance in the long run. With regard to the I-94, the number on that document is issued to the student when he/she is admitted to the United States (U.S.) and it is a temporary number. If the student leaves the U.S. to visit his/her home country and returns, he/she is issued another I-94 with a different I-94 number. Recording the I-94 number would seem to serve no purpose. Although we are considering including additional data elements in the MES, we have yet to determine what best meets our program needs. Regarding the last part of the recommendation, to establish a tracking system to glean information on questionable activities of foreign students to share with DHS, the DHS has this responsibility and was provided funding to implement the SEVIS.

Recommendation 2

SSA should continue to work closely with DHS to enhance SEVIS and transmit key data to the SAVE system to assist SSA in its documentation and verification of data used to enumerate foreign students.

Response

We agree and have asked the DHS/SEVIS staff on several occasions to consider adding information about foreign student employment to the SEVIS.

Recommendation 3

SSA should continue to work closely with educational institutions to ensure they understand SSA policies and procedures established to reduce the risks of improperly enumerating foreign students.

Response

We agree. Over the last year, SSA's Deputy Commissioner had several meetings with the American Council on Education, and we participated in numerous town hall meetings, sponsored by the American Council on Education, with educational institutions to explain the proposed regulatory changes for students and to ensure they understand our policies and procedures. Additionally, our Field Offices continue to work closely with colleges and universities to ensure they understand our policies and procedures. We will continue to provide fact sheets that contain our policy and procedures to the educational community.

Recommendation 4

SSA should propose the regulatory requirement that evidence of actual employment be necessary for foreign students to receive a SSN. Implement new guidelines for improving evidence requirements, such as a letter from the actual department employing the student. We believe this document should include, at a minimum, a position description, start date, and the number of hours the student is expected to work.

Response

We agree and have already submitted this regulation to the Office of Management and Budget.

Technical Comments

Page 4, 1st paragraph, 3rd sentence: "We are also concerned about the enumeration system being incapable of providing computerized tracking of foreign students." Implied in this statement is that we have a role in knowing the whereabouts of foreign students which goes beyond initial enumeration. If the intent is for a more limited knowledge of the individual's employment history, linking the enumeration and earnings systems would not necessarily lead to "providing computerized tracking of foreign students." We recommend this language be changed to: "more readily recalling the data used to enumerate foreign students."

Page 7, the 3rd bullet should be changed as follows: "issuing a special numbers series of SSNs to noncitizens enumerated via Enumeration at Entry, which may eventually include F-1 students." This change clarifies who gets a special series number.

Pages 9-10, the bullets regarding detailed classification of immigration data in the MES concern us. As stated previously, tracking foreign students is outside the area of responsibility of the enumeration process. While we agree that it would better serve us and DHS if the immigration data collected at enumeration was placed in detailed fields in MES rather than the remarks section, the report is proposing that additional data be collected (such as dates of work authorization and other characteristics of the applicant). These data are not material to enumeration, and would become out of date without

follow-up reporting. Unlike non-work SSNs, the SSNs issued to F-1 students allow work, thus additional/updated data would be needed to properly report questionable postings.

OIG Contacts and Staff Acknowledgments

OIG Contacts

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Acknowledgments

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The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations and cash flow. Performance audits review the economy, efficiency and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

Office of Executive Operations

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.